

THE IMPACT OF AUTO THEFT TRENDS ON AUTO INSURANCE RATES

A Report to the Michigan State Legislature

**Prepared by
Michigan's Automobile Theft Prevention Authority**

July 2001

AUTOMOBILE THEFT PREVENTION AUTHORITY

714 South Harrison Road
East Lansing, MI 48823
Telephone: (517) 336-6197
www.miatpa.org

Colonel Michael D. Robinson
Chair, Automobile Theft Prevention Authority

Executive Director:

Mr. Valdis A. Vitols

Developed by:

David Tjepkema, Program Coordinator

(Please contact him with any comments. E-mail address: tjepkemd@state.mi.us)

250 copies reproduced @ \$1.16 per copy, total of \$290.00

TABLE OF CONTENTS

Purpose and Scope of the Report	1
Introduction and Background	2
Executive Summary	4
Michigan's Motor Vehicle Theft Experience	5
Automobile Theft Prevention Authority	12
Department of Corrections	15
Department of State.	19
H.E.A.T. - Help Eliminate Auto Theft Program	22
Private Sector Technology.	24
Insurance Division.	25
Appendices	31

PURPOSE AND SCOPE OF THE REPORT

The Michigan Automobile Theft Prevention Authority has conducted a review of auto theft rates and auto theft insurance rates in Michigan. Data was obtained from the Michigan Department of State Police, the Department of Consumer and Industry Services (Insurance Division), the Department of Corrections, and the Department of State, which administers the titling of vehicles and the licensing and regulation of vehicle dealers and vehicle service repair facilities. The national and other state auto theft data were obtained from Federal Bureau of Investigation (FBI) publications.

This report was developed pursuant to the mandate set forth in the Michigan Insurance code (Public Act 10) as amended by Public Act 174 of 1992, which provides in pertinent part:

Sec. 6111. By July of every odd numbered year, the automobile theft prevention authority shall prepare a report that details the theft of automobiles occurring in this state for the previous 2 years, assesses the impact of the thefts on rates charged for automobile insurance, summarizes prevention programs, and outlines allocations made by the authority. The director of the department of state police, insurers, the state court administrative office, and the commissioner shall cooperate in the development of the report as requested by the automobile theft prevention authority and shall make available records and statistics concerning automobile thefts, including the number of automobile thefts, number of prosecutions and convictions involving automobile thefts, and automobile theft recidivism. The automobile theft prevention authority shall evaluate the impact automobile theft has on the citizens of this state and the costs incurred by the citizens through insurance, police enforcement, prosecution, and incarceration due to automobile thefts. The report required by this section shall be submitted to the senate and house of representatives standing committees on insurance and the commissioner.

This report specifically addresses the period of 1997 to 1999 and compares auto theft crime trends both nationally and in Michigan. To provide the broad perspective and continuity with previous reports, some data is also presented for the period from 1986 to 1995. The report includes a brief summary of the major components of Michigan's comprehensive and cooperative effort against auto theft.

INTRODUCTION AND BACKGROUND

In 1985, 75,123 motor vehicles were stolen from Michigan residents--the fourth highest state total in the nation. At that time, Michigan's theft rate of 828 per 100,000 population was the second highest in the nation. Residents demanded that government focus its resources to combat this serious problem, but additional tax revenues were not available.

On their own initiative, the Michigan Anti-Car Theft Campaign Committee (ACT) had been developing a coalition to increase public awareness of the auto theft problem and possible solutions. ACT's coalition included representatives from community groups, law enforcement, banking, insurance, car rental agencies, automotive manufacturers, prosecutors, judiciary, and the general public. It was ACT's view that cooperation and trust between all those groups would assist in resolving Michigan's auto theft problem.

In response to the public's reaction to the stress of losing their personal means of transportation and the resulting higher insurance premiums to pay for the vehicles which disappeared, Michigan's legislature developed (P.A. 10 of 1986) an Automobile Theft Prevention Authority (ATPA) and provided funding for the ATPA by collecting one dollar from each non-commercial private passenger vehicle insured in Michigan. Those funds (approximately \$5.8 million annually) would be collected by insurance companies with their normal premiums and passed on to the ATPA once each year.

From 1986 through 2000, the ATPA program has provided nearly \$78 million to grant programs that focus on all aspects of the auto theft problem. Non-profit groups have been funded to teach theft prevention techniques to residents and assist the police to identify the location of thieves or chop shops. Law enforcement consortiums have been allowed to specifically focus on the investigation and apprehension of car thieves. Prosecutors have been able to concentrate on the intricacies of auto theft cases and to convince judges/juries of the seriousness of those crimes.

Fortunately, the objectives of the ATPA have been enhanced by activity in other areas. The legislature has built additional prisons that can house convicted auto thieves for longer periods of time. The Department of State has implemented programs that have successfully closed some loopholes in the salvage vehicle title area and monitor the use of stolen parts by automotive repair facilities. Most automobile manufacturers have taken steps to make it more difficult for thieves to steal vehicles. Many insurance companies have developed their own special auto theft investigation units and have funded a hot-line program (H.E.A.T.) whereby people can be rewarded for information which leads to the arrest of an auto thief. Many vehicle owners have taken advantage of new technological devices to keep their vehicles safe--with alarms, kill switches, electronic tracking systems, and steering wheel locks.

The result of all these comprehensive and cooperative efforts has dramatically reduced Michigan's auto theft problem. In 1999, Michigan residents experienced 54,018 motor vehicle thefts--a reduction of 25% from 1986's total of 72,021. In relation to other states, Michigan (1986-1999) is still number five in total thefts, but has fallen from first in theft rate per 100,000 population to 6th (1984-1999). From 1986 to 1999, Michigan's theft rate has been reduced by 30.5%. In contrast to Michigan's success story, national auto thefts have fallen 6% since 1986, and the national auto theft rate per 100,000 has decreased 17%. The 1999 FBI Uniform Crime Report indicates 1,147,305 thefts in the nation, which means a vehicle theft occurred about every 20 seconds, and the value of stolen vehicles was more than \$7 billion.

Michigan's success against auto theft has kept the comprehensive insurance premiums many of our motorists pay lower than they could be. Even though the average price of new automobiles has probably doubled since 1987, major insurers have only raised the rate they charge for comprehensive coverage (that portion of vehicle insurance which pays off an insured if their vehicle is stolen) by 30% during that time period.

EXECUTIVE SUMMARY

This executive summary highlights the major points presented in the report.

Motor Vehicle Theft Experience Nationally and in Michigan		
<u>MICHIGAN</u>		<u>NATION</u>
54,018 -9.7%	1999 Thefts % Change 1997 – 1999	1,147,305 -15.2%
59,826 +3.3%	1997 Thefts % Change 1995 – 1997	1,353,707 -8.1%
547.6 -10.5%	1999 Theft Rate % Change 1997 – 1999	420.7 -16.8%
612.1 +1.0%	1997 Theft Rate % Change 1995 – 1997	505.8 -9.8%

If Michigan's Motor Vehicle thefts through 1999 had simply remained constant at the 1985 level (75,123) instead of falling 28.1%, Michigan residents and businesses would have lost an additional 184,781 vehicles over the 14-year period. Using the National Insurance Crime Bureau's average vehicle value of \$5,500, those additional thefts would have cost Michigan citizens and insurers over \$1 billion (\$1,016,295,500).

- Noteworthy Facts About Michigan for the 1997-1999 Period:
 - Motor vehicle thefts down 9.7%
 - Theft rate per 100,000 population down 10.5%
 - Percentage of vehicles recovered down 2.2%
 - Motor vehicle theft arrests up 5%
 - Prison commitments for motor vehicle theft related crimes down 14.3%
 - Prison inmates held on motor vehicle theft related crimes up 8.8%
- According to the National Association of Insurance Commissioners (NAIC) March 2000 report, Michigan, which was the fifth highest state in average comprehensive premiums paid in 1987, has fallen to 13th place in 1998. As a result of this positive change, Michigan residents saved \$26 by not being in fifth place.
- The Insurance Information Association of Michigan reports that auto insurance rates fell 4% during 1999.

NUMBER OF THEFTS

To further illustrate Michigan's successful effort against motor vehicle theft, Michigan thefts represented 5.9% of the national total in 1986. For 1999, Michigan only contributed 4.7% of the national total. Table 1 indicates both Michigan and national experience with motor vehicle theft.

Source: FBI and Michigan Uniform Crime Reports 1986-1999

5

THEFT RATE PER 100,000 POPULATION

In 1999, Michigan's motor vehicle theft rate per 100,000 population was 547.6 - a reduction of 30.5% from 1986. In comparison, the national theft rate was 420.7 - a reduction of 17.2% from 1986. Even though Michigan's theft rate has fallen faster than the national theft rate, Michigan's rate is still higher than the national average. Michigan's theft rate was almost 81% higher than the national rate back in 1985 (827.8 vs. 457.5) but had fallen below the national rate in 1993. Appendix II shows how Michigan's theft rate ranking has fallen from the highest nationally in 1987 to 6th place in 1999.

<p>TABLE 2</p> <p>Motor Vehicle Theft Rate Per 100,000 Population Nationally and in Michigan 1986-1999</p>				
<u>NATIONAL</u>			<u>MICHIGAN</u>	
Year	MVT	% Change	MVT	% Change
1986	507.8		787.5	
1987	529.4	4.3%	743.6	-5.6%
1989	630.4	19.1%	704.2	-5.3%
1991	659.0	4.5%	668.6	-5.1%
1993	605.3	-8.2%	597.9	-10.6%
1995	560.5	-7.4%	606.3	1.4%
1997	505.8	-9.8%	612.1	1.0%
1999	420.7	-16.8%	547.6	-10.5%
1986-1999 Change		-17.2%		

Source: FBI and Michigan Uniform Crime Reports 1986-1999

<p style="text-align: center;">TABLE 3</p> <p style="text-align: center;">Motor Vehicle Thefts for Top 25 Michigan Counties 1986-1999</p>								
COUNTY	1986 MVT	1993 MVT	1995 MVT	1997 MVT	1999 MVT	% CHANGE 1993 - 1995	% CHANGE 1995 - 1997	% CHANGE 1997 - 1999
WAYNE	43,300	34,949	37,538	40,985	34,106	7	9	(17)
OAKLAND	9,310	4,830	4,198	3,383	3,466	(13)	(19)	2
GENESEE	3,290	3,296	3,020	4,005	3,252	(8)	33	(19)
MACOMB	5,832	3,182	2,965	2,179	2,572	(7)	(27)	18
KENT	1,778	1,691	1,284	1,557	1,415	(24)	21	(9)
MUSKEGON	331	611	470	416	1,079	(23)	(11)	159
WASHTENAW	1,449	882	1,075	921	912	22	(14)	(1)
KALAMAZOO	591	775	836	609	738	8	(27)	21
INGHAM	812	1,084	1,077	622	648	(1)	(42)	4
SAGINAW	569	468	593	597	609	27	1	2
CALHOUN	244	402	499	564	503	24	13	(11)
BERRIEN	408	511	561	317	429	10	(43)	35
JACKSON	308	278	272	368	394	(2)	35	7
MONROE	279	370	354	396	321	(4)	12	(19)
ST. CLAIR	261	249	239	257	296	(4)	8	15
OTTAWA	194	210	145	251	264	(26)	73	5
BAY	175	208	260	176	227	25	(32)	29
LIVINGSTON	204	159	151	160	223	(5)	6	39
VAN BUREN	150	176	168	139	162	(5)	(17)	17
EATON	122	187	85	168	135	(55)	98	(20)
ALLEGAN	74	125	107	125	122	(14)	17	(2)
GRAND TRAVERSE	99	48	68	84	113	42	24	35
MONTCALM	79	88	73	82	98	(17)	12	20
LAPEER	131	72	97	44	94	35	(55)	114
ISABELLA	48	18	78	71	88	333	(9)	24
STATE TOTAL	72,021	56,670	57,895	59,826	54,018	2	3	(10)

Source: Michigan Uniform Crime Reports 1986-1999

Table 3 illustrates that from 1997 to 1999 the number of motor vehicle thefts in 8 of Michigan's high theft major counties have improved (fallen), but in 17 counties the thefts have increased. The ATPA has concentrated most of its grant resources in these high theft counties, and it appears that the resources have not been adequate to win the war with the auto thieves in some locations. The number of law enforcement officers ATPA supports has fallen from 99 in 1988 to 76 in 2001.

MOTOR VEHICLE VALUE

While the number of motor vehicles stolen in Michigan has been reduced from 1986 to 1997, the increased cost of those vehicles has caused the value of stolen vehicles to grow nearly \$37 million. This follows the overall trend in total property stolen which increased in value by over 8% during the same time period. Table 4 reveals some other interesting facts:

- 1) Stolen motor vehicles represent 65.1% of total property value stolen, a factor which has remained fairly constant since 1986.
- 2) Recovered motor vehicles represent 95.1% of total property value recovered - a minor decrease from 1997.
- 3) Over 74% of stolen motor vehicle value was recovered in 1999.

The conclusions which may be suggested from this data are that:

- 1) Thieves are finding the threat of apprehension for motor vehicle theft to be higher than for other property.
- 2) Thieves are finding the economic reward for motor vehicle theft to be decreasing--a 12% increase in the percentage of motor vehicle value recovered from 1995.

<p style="text-align: center;">TABLE 4</p> <p style="text-align: center;">Motor Vehicle Portion of Total Value of Stolen/Recovered Property in Michigan (Thousands of Dollars) 1995-1999</p>						
	1995	CHANGE 1993-1995	1997	CHANGE 1995-1997	1999	CHANGE 1997-1999
Total Property Stolen	664,247	+4.0%	677,371	+2.0%	647,560	-4.4%
Value Stolen Vehicles	454,119	+2.9%	468,288	+3.1%	421,550	-10.0%
MV's % of Total Stolen	68.4%	-1.7	69.1%	+0.7	65.1%	-4.0
Total Property Recovered	294,635	-12.9%	359,899	+22.2%	327,825	-8.9%
Value Recovered Vehicles	282,626	-13.8%	350,284	+23.9%	311,843	-11.0%
MV's % of Total Recovered	95.9%	-1.0	97.3	+1.4	95.1%	-2.2
% Total Property Value Recovered	44.4%	-8.6	53.1	+8.7	50.6%	-2.5
% Stolen Vehicle Value Recovered	62.2%	-12.1	74.8	+12.6	74.0%	-0.8

Source: Michigan Uniform Crime Reports 1995-1999

MOTOR VEHICLES FREQUENTLY STOLEN BY MAKE AND MODEL

The Michigan Law Enforcement Information Network (LEIN) captured all the vehicles reported stolen in their system during 2000 and compiled a list of the most frequently stolen automobiles by make and model. (See list below.)

MICHIGAN TOP TEN MOST STOLEN CARS - 2000	
1.	2000 Jeep Cherokee
2.	1999 Jeep Cherokee
3.	1999 Pontiac Grand Am
4.	1999 Ford Taurus
5.	1999 Dodge Intrepid
6.	2000 Pontiac Grand Am
7.	1998 Ford Taurus
8.	2000 Dodge Intrepid
9.	1997 Ford Taurus
10.	1999 Oldsmobile Alero

Source: NICB/Michigan LEIN

According to a study recently conducted by the National Insurance Crime Bureau (NICB), a car that is popular with thieves when new will remain a theft target for about six years. The NICB theorizes that: 1) as a model line ages, its parts become more valuable if the model is not significantly redesigned; 2) it seems to take thieves three years to fully solve the manufacturer's theft deterrence systems; 3) owners of older cars are less vigilant about installing after-market anti-theft devices and/or locking the vehicle.

Table 5 shows the ten highest theft rates for new cars with a total production in 1998 of 100,000 or more, based on the most recent list published by the National Highway Traffic Safety Administration. The rate listed is the number of thefts in 1998 per 1,000 cars manufactured in that same year.

TABLE 5 1998 Model Year Cars With the Highest Theft Rate in U.S.* (Per 1,000 Cars Manufactured)	
MAKE AND MODEL	THEFT RATE
1. Dodge Stratus	7.0
2. Dodge Neon	5.6
3. Nissan Maxima	5.2
4. Jeep Grand Cherokee	4.4
5. Toyota 4-Runner	4.0
6. Ford Contour	4.0
7. Pontiac Grand Am	3.8
8. Nissan Altima	3.8
9. Ford Mustang	3.6
10. Nissan Sentra	3.5

Source: National Highway Traffic Safety Administration, 2000

*Production - 100,000 minimum.

MOTOR VEHICLE THEFT ARRESTS

As Table 6 displays, from 1997 to 1999, the number of subjects arrested for motor vehicle theft related crimes rose 5%. During that time period, the number of motor vehicles stolen in Michigan fell 9.7%. Other interesting demographic trends are:

- 1) Female arrests represent 15.9% of the total - up 2.1% from 1995.
- 2) Juvenile arrests represent 30.2% of the total - down 8.1% from 1995.
- 3) Adult male arrests represent 60.6% of the total - up 5.3% from 1995.
- 4) Juvenile male arrests represent 23.5% of the total - a reduction of 7.6% from 1995.

<p style="text-align: center;">TABLE 6</p> <p style="text-align: center;">Michigan Motor Vehicle Theft Arrests Subject's Age and Sex 1995-1999</p>						
	1995	% CHANGE 1993-1995	1997	% CHANGE 1995-1997	1999	% CHANGE 1997-1999
Total Arrests	3,302	-1.0%	2,600	-21.3	2,730	+5.0
Male	2,853	-3.6%	2,244	-21.3	2,297	+2.4
% Total	86.4		86.3		84.1	
Female	449	+20.0%	356	-20.7	433	+21.6
% Total	13.6		13.7		15.9	
Adult	2,034	+1.4%	1,692	-16.8	1,905	+12.6
% Total	61.7		65.1		69.8	
Juvenile (under 17)	1,266	-4.8%	908	-28.3	825	-9.1
% Total	38.3		34.9		30.2	
Male Adult	1,826	+0.8%	1,507	-17.5	1,654	+9.8
% Total	55.3		58.0		60.6	
Female Adult	208	+7.2%	185	-11.1	251	+35.7
% Total	6.3		7.1		9.2	
Male Juvenile	1,027	-10.7%	737	-28.2	643	-12.8
% Total	31.1		28.3		23.5	
Female Juvenile	241	+33.9%	171	-29.0	182	+6.4
% Total	7.3		6.6		6.7	

Source: Michigan Uniform Crime Reports

INDEX CRIMES: MOTOR VEHICLE THEFTS AND ARRESTS

Index crimes include the following eight offenses: murder, rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson.

Those crimes were selected by the National Uniform Crime Reporting system as the standard measure of criminal activity trends in the United States.

Table 7 indicates that the motor vehicle theft crimes portion of total index crime fell from 13.9% in 1997 to 13.3% in 1999. This percentage decrease occurred during a period when overall index crimes were falling at a faster rate than auto thefts.

If the incident of a crime is decreased, then the number of subjects arrested for that crime is expected to decrease also. However, from 1997 to 1999, the number of motor vehicle theft arrests rose 5% while crime decreased 9.7%. This disparity may suggest that thieves are committing fewer theft incidents prior to apprehension by specially trained officers supported by ATPA grant funds. During this two-year period, the motor vehicle theft arrests portion of total index crime arrests rose from 4.3% to 4.8%.

Other trends which deserve comment are: 1) from 1995 to 1999, the number of adults arrested for motor vehicle theft rose from 3.9% of total adult index arrests to 4.2%; 2) the number of juveniles arrested for motor vehicle theft has decreased from 7.9% of total juvenile index arrests to 7.5%; and 3) juvenile motor vehicle theft arrests fell 34.8%.

<p>TABLE 7</p> <p>Michigan Motor Vehicle Thefts and Arrests</p> <p>As A Percentage of Index Crimes</p> <p>1995-1999</p>						
	1995	% CHANGE 1993-95	1997	% CHANGE 1995-1997	1999	% CHANGE 1997-1999
# Index Crimes	462,864	-8.4%	429,537	-7.2%	407,334	-5.2%
MVT Incidents	57,895	+2.2%	59,826	+3.3%	54,018	-9.7%
% of Index	12.5%		13.9%		13.3%	
# Index Arrests	68,650	-7.5%	61,082	-11.0	56,410	-7.6%
# MVT Arrests	3,302	-1.0%	2,600	-21.3	2,730	+5.0%
% of Index	4.8%		4.3%		4.8%	
# Index Adult Arrests	52,703	-29.0%	47,061	-10.7	45,364	-3.6%
# MVT Adult Arrests	2,034	+1.4%	1,692	-16.8	1,905	+12.6%
% of Index	3.9%		3.6%		4.2%	
# Juv. Index Arrests	15,947	-7.3%	14,021	-12.1	11,046	-21.2%
# Juv. MVT Arrests	1,266	-4.8%	908	-28.3	825	-9.1%
% of Index	7.9%		6.5%		7.5%	

Source: Michigan Uniform Crime Report

AUTOMOBILE THEFT PREVENTION AUTHORITY

The Automobile Theft Prevention Authority (ATPA) was established as a temporary program by Act 10, P.A. of 1986, to reduce economic automobile theft in the State of Michigan. As a result of the program's success, it was given permanent status by Act 174, P.A. of 1992. The Authority is directed by a seven-member board of directors appointed by the Governor with consent of the Senate. This seven-member board contains: two representatives of automobile insurance purchasers; two representatives from Michigan insurance companies; two representatives from law enforcement agencies; and the director of the Department of State Police. The board of directors meets quarterly at various locations around the state, and notice of the time, date, and place is published in accordance with the open meetings act.

The activities of the Authority are funded by annual assessments on automobile insurance companies of \$1 per private passenger car premium earned in the previous year. Those funds (annual revenues of \$5.8 million) are collected from policyholders and passed on to the ATPA each year. The ATPA board provides financial support to non-profit tax-exempt organizations (law enforcement agencies, county prosecutors, and neighborhood or community organizations) that show a good potential for fulfilling the Authority's mission of reducing auto theft. (Appendix VI lists 2001 projects and the funding provided.)

LAW ENFORCEMENT

The ATPA board is convinced that placing specially trained officers in the field to focus on auto theft criminals is the most effective method of reducing thefts. They have historically committed over 80 percent of the Automobile Theft Prevention funds to supporting law enforcement consortiums in high theft areas. As the following performance summary indicates, these special auto theft units have been very productive.

YEAR	ARRESTS	RECOVERY INCIDENTS	\$ VALUE RECOVERED
1989	1,464	2,096	17,669,200
1990	2,011	1,853	17,063,700
1991	2,004	2,956	18,869,900
1992	2,193	2,224	18,558,600
1993	2,130	2,405	17,600,400
1994	2,114	2,183	16,396,200
1995	2,007	2,417	19,400,000
1996	2,662	2,856	24,965,100
1997	2,584	2,705	23,656,100
1998	2,423	2,905	26,560,315
1999	2,990	3,137	34,424,931
2000	3,297	3,778	39,825,141
TOTALS	27,879	31,515	\$274,989,587

A review of ATPA funded law enforcement teams found that in the past five years those teams were involved in 3,017 insurance fraud cases and \$20.3 million in recoveries. Without the ATPA teams, these fraudulent claims would have been paid.

PROSECUTION

In order to provide maximum attention to auto thieves, the ATPA board funds eight assistant prosecutors in five counties with serious auto theft problems. These specially trained assistant prosecutors vertically prosecute (handle cases through both district and circuit court systems) the thieves and seek the maximum sentence length on all convictions. From 1992 to 2000, they have successfully obtained a conviction on 85% of the arrested subjects and over 70% of the subjects who take the issues to trial.

Over 50% of the subjects who are sentenced are incarcerated. Thieves who avoid jail are placed on probation and usually fined or required to make restitution to the rightful owners. A summary of the prosecutors' activity is offered below.

YEAR	WARRANTS ISSUED	GUILTY PLEAS	TRIALS	TRIAL CONVICT.	JAIL SENTENCE	PROBATION SENTENCE
1992	1,521	1,096	149	83	466	523
1993	1,601	936	127	85	366	438
1994	1,724	1,043	126	92	482	565
1995	1,557	1,067	98	57	575	514
1996	2,088	1,350	82	66	736	621
1997	2,234	1,483	110	75	835	833
1998	2,225	1,575	99	74	837	789
1999	2,251	1,356	102	90	665	671
2000	2,426	1,466	122	104	738	627
TOTALS	17,627	11,372	1,015	726	5,700	5,581

PREVENTION

As important as law enforcement officers and assistant prosecutors are in responding to auto thefts, the ATPA board is convinced that any comprehensive effort against auto theft must include the prevention activities of non-profit community groups. Historically, the ATPA has expended about two percent of its grant monies on the non-profit community groups, but those groups have provided valuable "street" information to law enforcement teams which leads to many arrests or vehicle recoveries.

The non-profit groups hold block club meetings to teach residents how to prevent auto theft, organize neighborhood watch or CB patrol programs, etch the vehicle identification number (VIN) onto the glass of resident's automobiles (36,000 since 1989), and distribute printed materials (flyers or newsletters) regarding auto theft prevention. These activities are primarily responsible for increasing neighborhood awareness of auto theft and advertising auto theft tip hot lines which provide a pipeline of information to law enforcement teams.

ANTI-THEFT DEVICES

The Automobile Theft Prevention Authority was charged in Act 10, P.A. 1986, with the responsibility for approving automobile theft prevention devices. Therefore, the ATPA board decided to address devices in broad general terms so that it would not have to revise the list of devices every time a new one was introduced to the market.

On March 23, 1987, the Authority approved interim standards for automobile theft prevention devices. Installation of those devices qualified the insured for a reduction in the automobile's comprehensive insurance premium. Each company determines the amount of the reduction.

Table 8 indicates the discounts on comprehensive premiums offered by major insurers.

In response to Act 143, P.A. 1993, the ATPA board approved new standards for automobile theft prevention and recovery devices at its June 1994 meeting. A copy of these standards is attached as Appendix VIIa, VIIb.

TABLE 8		
Anti-Theft Device Discounts Offered by Eight Major Michigan Insurers		
<u>Company</u>	<u>Device</u>	<u>Discount</u>
Allstate	All devices	5%
Auto Club	-Encoded or Pass Key device	25%
	-Passive or pass key	10%
	-Active device or VIN etching	5%
Auto-Owners	-Passive device	10%
	-Active device and VIN etching	10%
	-Active device/VIN etching/Alarm	5%
Citizens	-Tele-Trac device	25%
	-Lo-Jack Retrieve and Lo-Jack Prevent	20%
	-Passive device	5%
	-Active device and VIN etching	10%
	-Active device/VIN etching/Alarm	5%
Farm Bureau Mutual	-VATS or Pass Key device	20%
	-Recovery device	20%
	-Passive device	10%
	-Active Device AND VIN etching	10%
	-Active device/VIN etching/Alarm	5%
Farmers Exchange	-All devices	3%
Secura	-Passive device	15%
	-Active device/Alarm	5%
State Farm Mutual	-Passive device	10%
	-Active device AND VIN etching	10%
	-Active device/VIN etching/Alarm	5%

Source: Michigan Insurance Division

DEPARTMENT OF CORRECTIONS

Most law enforcement officers and special prosecutors involved with auto theft believe their efforts are successful if the thief is taken off the street and put into prison for as long as possible. From 1985 to 1990, Michigan's legislature funded the construction of 17 new state correctional facilities with a capacity for an additional 10,043 prisoners. While the building program made extra space available for auto thieves, new prisons are very expensive and judges quickly sentenced more than enough criminals to fill them. Prison population grew 76 percent from 1986 to 1991 (20,742 to 36,448).

Since 1991, the state has slowed the construction of new correctional facilities and implemented a new strategy for diverting non-violent/low-risk offenders to appropriate parole/probation supervision at the community level. State prison space is reserved for the violent and chronic property offenders who pose the greatest risk to the public. However, a high percentage of those on parole/probation commit new crimes or violate the terms of their punishment and are sent to prison.

The following table lists the felony offenses that are most closely related to motor vehicle theft. For 1999, the Department of Corrections has added many new MCLA offenses to their database. This may have altered our comparisons with previous year's data.

MCLA	OFFENSE	MAXIMUM SENTENCE
257.233A6	Odometer Tampering	5 years
257.254	Intent to Pass False Title	10 years
500.4511	Insurance Fraud	4 years
500.45112	Insurance Fraud Conspiracy	10 years
750.157V	Financial Transaction False ID	4 years
750.157W	Financial Transaction-Fraud Intent	10 years
750.1744A	Embezzlement \$1K-\$20K	5 years
750.218	False Pretenses	10 years
750.2184A	False Pretenses \$1K-\$20K	5 years
750.2185A	False Pretenses \$20K+	10 years
750.356	Larceny-Motor Vehicle	5 years
750.356A	Larceny from Motor Vehicle	5 years
750.3622A	Larceny by Conversion	5-10 years

MCLA	OFFENSE	MAXIMUM SENTENCE
750.362A	Fail to Return Rented Property	2-10 years
750.411A1B	False Report of a Felony	4 years
750.413	Unlawfully Driving Away Auto (UDAA)	5 years
750.414	Unlawful Use Auto	2 years
750.415	MV Conceal ID	4 years
750.529A	Carjacking	Life
750.535A	Receive & Conceal Stolen Property	5 years
750.535A2	Operating a Chop Shop	10 years
750.5352A	Receive & Conceal \$20K+	10 years
750.75	Arson-Insured Property	10 years

The Department of Corrections has no control over court outputs, and Table 9 simply shows some interesting facts. From 1995 to 1997, the number of motor vehicle theft cases disposed by the courts increased 2.1%. During the period of 1997 to 1999, the total number of motor vehicle theft cases disposed remained relatively unchanged, but the number of subjects who were sentenced to jail and prison increased substantially: 20.3% and 13% respectively.

<p style="text-align: center;">TABLE 9</p> <p style="text-align: center;">Court Disposition of Motor Vehicle Theft and Motor Vehicle Theft Related Offenses in Michigan 1993-1999</p>						
	1993	1995	1997	% CHANGE 1995 - 1997	1999	% CHANGE 1997-1999
Total Cases	5,945	5,597	5,715	+2.1%	5,690	-0.4%
Prison	1,350	1,171	1,220	+4.2%	1,378	+13.0%
Probation	3,154	3,127	3,187	+1.9%	2,893	-9.2%
Jail	814	743	789	+6.2%	947	+20.3%
Other*	627	556	519	-6.7%	470	-9.4%

*Delayed, suspended, Holmes Youthful Trainee Act (HYTA) with probation mental health commitment
Source: Michigan Department of Corrections Annual Statistical Reports

The number of new prison commitments for auto theft related crimes fell 14.3% from 1997 to 1999. That trend is consistent with the decrease in auto thefts during that time. Table 10 provides a summary of the number of persons committed for each type of offense.

<p style="text-align: center;">TABLE 10</p> <p style="text-align: center;">Motor Vehicle Theft and Motor Vehicle Theft Related Prison Commitments in Michigan 1993-1999</p>				
OFFENSE	COMMITMENTS*			
	1993	1995	1997	1999
Possess Stolen Motor Vehicle	11	3	9	4
Alter/Forge Registration	1	2	2	4
False Certification	0	0	4	0
False ID Fraud	0	0	0	6
Embezzlement	0	0	0	3
False Pretenses (Fraud)	65	60	69	8
Larceny/B & E Motor Vehicle	147	143	171	138
Fail to Return Rental	0	0	0	4
Unlawful Drive Away Auto	198	173	183	177
Unlawful Use Auto	21	40	40	31
False Felony Report	0	0	0	1
Altering VIN	1	0	1	1
Carjacking	0	0	0	75
R & C over \$100	363	189	89	308
Operate Chop Shop	8	104	320	2
Burning Insured Property	1	1	2	1
TOTALS	816	715	890	763
% Change in Total Commitments:				
1993-1995	-12.4%			
1995-1997	+24.5%			
1997-1999	-14.3%			

*Figures detailing court dispositions of commitments do not necessarily measure exact number of people since a person may be convicted or committed to prison for more than one offense in a year.

Source: Michigan Department of Corrections Annual Statistical Reports

Table 11 (on the next page) illustrates that from 1995 to 1999, the number of inmates in prison for motor vehicle theft related crimes grew 21% and are now above 1993 levels. This trend may indicate that ATPA funded prosecutors are successfully getting auto thieves habitualized and sent to state prison.

Motor Vehicle Theft and Motor Vehicle Theft Related
Prison Population in Michigan
1993-1999

Source: Michigan Department of Corrections Annual Statistical Reports

While it may be a distortion to assign all of Department of Corrections costs to its prison operation, the data available to us is total budget excluding capital expenditures.

Multiplying the number of prisoners sentenced for auto theft crimes by the cost per prisoner, we arrive at the following costs associated with housing auto theft criminals:

18

DEPARTMENT OF STATE

Public Acts 300 of 1993 amended the Michigan Vehicle Code to establish objective repair thresholds for determining whether a vehicle qualifies for a salvage or scrap title. Among other things, the law created a scrap title, limited who may purchase salvage and scrap titled vehicles or salvageable parts, and created a new dealer license classification, Automotive Recycler. The amendments took effect July 1, 1994.

These amendments to the salvage title law are a major step forward in detecting insurance fraud and auto theft. They help to create a chain of records which the Department of State and law enforcement can use to trace stolen vehicles and parts and to investigate and prosecute auto related criminal activities.

The Department of State's Bureau of Automotive Regulation (BAR) continues to work closely with law enforcement. During 1999 and 2000, BAR investigators conducted 40 inspections with law enforcement—38 at the request of law enforcement. As a result of these inspections, 11 stolen vehicles, 5 suspected stolen vehicles, and 16 stolen major component parts were identified. Additionally, various unidentified but suspected stolen major component parts were confiscated.

From April 2000 to September 2000, Bureau of Automotive Regulation investigators participated with Downriver Auto Theft and Western Wayne Auto Theft in an Automobile Theft Prevention Authority innovative grant project. The project teamed BAR investigators with police officers on 12 different Saturdays. BAR investigators concentrated on inspecting dealer and facility records, while police officers checked vehicle identification numbers and parts labels. The team inspected 50 businesses (licensed dealers, registered body shops, and unlicensed dealers), and BAR investigators issued 77 notices of non-compliance for poor record keeping. Several suspected stolen vehicles and motorcycles were confiscated for further investigation by the auto theft units.

In a similar endeavor, BAR conducted a special training class for officers in the Grand Rapids Police Department Auto Theft Unit. Those officers were provided with a detailed review of the records that must be kept by car dealerships and repair facilities. The training included specific inspection forms and procedures that would assist the officers' search for stolen vehicles and parts. After the training, the Grand Rapids officers visited nine dealerships/facilities, inspected 217 vehicles, recovered one vehicle, and made two arrests.

REPAIR THRESHOLDS AND TITLE BRANDING

Objective repair thresholds effectively limit the opportunity for "total loss" vehicles with less than 100% damage acquired by insurance companies to be sold at salvage pools with clean (unbranded) titles. In the past, these vehicles were often purchased, repaired, and put back on the road without being inspected to determine if stolen parts were used to rebuild the vehicles.

If the estimated cost of repair, including parts and labor, is equal to or greater than 75% but less than 91% of the pre-damaged actual cash value of the vehicle, a salvage title is required. A vehicle with estimated repair costs equal to or greater than 91% of its actual cash value must be issued a scrap title.

When an insurance company acquires ownership through payment of a claim of a late model vehicle that has been stolen and recovered and the vehicle has even one major component part removed, missing, destroyed, or damaged and not salvageable, the insurance company is required to apply for a salvage title even if the estimated cost of repair is less than 75%.

Title washing is deterred by ensuring that title brands follow the vehicle into our state. Any vehicle brought into Michigan from another state that has a rebuilt, salvage, scrap, or comparable title issued by that state will be issued a rebuilt, salvage, or scrap title by the Michigan Department of State.

The Department of State reviews title documents and contacts current owners to see if they were aware that they had purchased previously salvage titled vehicles. From Fiscal Year 1989 to Fiscal Year 2000, BAR's Customer Information Services Section has contacted 11,293 consumers regarding the salvage status of their vehicles. Some 3,720 or 33% of the consumers contacted had not been made aware that their vehicles previously had salvage titles.

SCRAP TITLES

The amended salvage law created a scrap title with strict limitations for its assignment. Scrap titles may only be assigned to used vehicle parts dealers, automotive recyclers, scrap metal processors, or foreign salvage vehicle dealers. These dealers may reassign a scrap title only to a vehicle scrap metal processor. When a scrap title is issued to a vehicle, the VIN is "dead" and that vehicle cannot be titled or registered again. A person cannot rebuild or repair a scrap-titled vehicle and allow it to keep the original VIN.

A scrap-titled vehicle may only be shredded for recycling of the metal or dismantled and used for parts. Similar to a salvage title, the scrap title lists non-salvageable major component parts.

The law provides for an automatic 30-day suspension of the dealer license if a dealer removes a scrap-titled vehicle from Michigan to rebuild the vehicle or sells it as a unit for the purpose of rebuilding it. During 1997, the Michigan Secretary of State imposed 30-day summary suspensions on two foreign salvage vehicle dealers from Kentucky. One dealer demanded an immediate administrative hearing to challenge the suspension. The administrative hearing decision ruled that the suspension was proper, and the dealer served the full 30 days.

LIMITED ADMITTANCE TO SALVAGE POOLS

The new law requires salvage pools and auctions to restrict who attends during the sale of salvage and scrap vehicles. This was done to help eliminate unlicensed agents, auto thieves, and the like from the pools and the bidding process.

Only licensed salvage vehicle agents, Department of State personnel, insurance company representatives, and government or law enforcement officials may attend a salvage pool or auction during the sale of salvage or scrap-titled vehicles or salvageable parts. Repair facilities are no longer permitted to purchase salvage vehicles or salvageable parts from salvage pools or auctions.

AUTOMOTIVE RECYCLER AND SALVAGE VEHICLE AGENT CREATED

An additional class of vehicle dealer—automotive recycler—was created, as was a salvage vehicle agent. An automotive recycler is a dealer primarily engaged in the sale of late model major component parts. A salvage vehicle agent is authorized by the Secretary of State to deal in distressed late-model vehicles, scrap vehicles, or salvageable parts through a salvage pool.

Only licensed used vehicle parts dealers, automotive recyclers, or foreign salvage vehicle dealers may have salvage vehicle agents. A salvage vehicle agent may only work for one licensed dealer, and a dealer may only have two salvage vehicle agents. Part of the licensing process for salvage vehicle agents is applicant fingerprinting. The fingerprints are sent to the Michigan State Police and the FBI to check for auto-related criminal activity.

REBUILT SALVAGE RECERTIFICATION INSPECTIONS

Effective July 1, 1994, the fee for a police inspection of a rebuilt salvage vehicle is \$50. The fee is paid to the police agency doing the inspection and is used for law enforcement purposes relating to stolen vehicles, stolen vehicle parts, and salvage vehicle inspections.

Only inspectors certified by the Department of State may perform rebuilt salvage inspections. As of December 2000, the total number of certified salvage inspectors is 173.

Inspectors focus their attention on the major component parts that have been replaced. Certification training explains the inspection process, which includes recording the engine number, body VIN, frame/police number, VIN from the Federal Certificate Label, and transmission number. Recording of part numbers from the major component parts labels is also required under the inspection standards.

HELP ELIMINATE AUTO THEFT (H.E.A.T.) PROGRAM

Sixteen years ago, Michigan insurers initiated a statewide tip reward program, H.E.A.T. (Help Eliminate Auto Thefts), to encourage citizen participation and cooperation with law enforcement agencies to curb auto theft related activity. By calling 1-800-242-H.E.A.T., callers can provide confidential information on auto theft. H.E.A.T. rewards hotline callers with up to \$1,000 for information that leads to the arrest and prosecution of a suspected car thief and up to \$10,000 if the tip results in the arrest and prosecution of a suspected theft ring member and/or chop shop operator. In addition, as a result of the increased incidence of the life threatening crime of carjacking, a \$2,000 reward is paid for information leading to the issuance of a warrant for a carjacking suspect.

The program is funded through and administered by the Michigan Automobile Insurance Placement Facility, an association of automobile insurers in the state. The H.E.A.T. tip line (1-800-242-H.E.A.T.) is answered by a law enforcement consortium, which is funded by the Automobile Theft Prevention Authority (ATPA). Calls ring into the Michigan State Police office and are then funneled to the appropriate ATPA funded group or directly to another police agency for immediate investigation.

Established in October of 1985, the tip reward hotline has processed (through March 2001) approximately 5,400 calls which have led to the arrest and prosecution of over 2,400 suspects. In addition, the program has aided police in recovering 2,960 stolen vehicles with an estimated value of \$34.1 million. During that time, the H.E.A.T. program has paid over \$2.2 million to 1,480 callers for their information.

Considered a trailblazer in the area of auto theft prevention, the H.E.A.T. Program provides free materials such as posters, flyers, litter bags as well as two interactive exhibits and H.E.A.T. speakers for ATPA funded groups and any other interested parties. H.E.A.T. is a perfect example of how insurance companies, law enforcement agencies, businesses and citizens of Michigan can join together to Help Eliminate Auto Theft. For more information on H.E.A.T., call 734/464-1100.

H*E*A*T RECORD

10/85 – 3/01

Tip Calls Received	--	5,363
Tips Paid	--	1,481
Tip \$ Awarded	--	\$2,248,020
Suspects Arrested	--	2,411
Vehicles Recovered	--	2,957
Value of Recovery	--	\$34,135,593

H.E.A.T.'S PROGRAM RESULTS

<u>YEAR</u>	<u>NUMBER OF TIPS PAID</u>	<u>MONEY AWARDED</u>	<u>VEHICLES RECOVERED</u>	<u>VALUE OF RECOVERIES</u>
1986	26	\$66,000	121	\$1,538,025
1987	52	145,800	186	2,313,675
1988	73	104,810	148	1,180,351
1989	101	192,870	307	4,354,463
1990	136	201,500	257	2,445,926
1991	127	146,325	251	2,709,756
1992	146	137,160	275	2,218,905
1993	82	86,575	128	1,203,877
1994	86	122,150	149	1,167,077
1995	87	165,450	154	1,829,133
1996	140	221,700	215	2,400,390
1997	125	200,725	208	3,755,995
1998	108	184,650	246	2,625,019
1999	104	152,680	161	2,040,809
2000	<u>61</u>	<u>99,150</u>	<u>135</u>	<u>2,222,797</u>
TOTALS	1,454	\$2,227,545	2,941	\$34,006,198



1-800-242-HEAT

PRIVATE SECTOR TECHNOLOGY

TECHNOLOGICAL ASSISTS TO THEFT PREVENTION

Since 1986, several innovations have provided some additional protection or theft deterrence to automobile owners. Manufacturers have strengthened door locks and made the locking mechanisms more difficult to defeat. Steering wheel columns have been redesigned and strengthened to make the thieves' job more time consuming. Ignition switches have been reinforced and relocated so they are more difficult to defeat. Microcomputer chips have been added to ignition keys so the vehicle will not start unless the vehicle's computer reads a unique electronic code on the key.

The after market has successfully marketed many auto theft prevention techniques: steering wheel locks, metal column wraps, alarms, kill switches, and electronic tracking devices. The tracking devices are able to either provide police with the exact location of the vehicle or allow police to find the vehicle with a homing device. Either way the vehicle is usually recovered in a matter of hours. Even side window glass can be strengthened with a clear film which prevents the glass from disintegrating into glass pellets when a thief hits it with a hard object.

Since 1986 the federal government has required that manufacturers of high theft vehicles place a tag with the vehicle identification number on 13 major component parts of the vehicle. The tags are usually white and are glued to the parts. Thieves' attempts to remove and replace this parts marking with computer generated ones are hampered by special tear away glues, logos hidden in the tags, and chemical footprints left behind if the tag is removed.

The State Police Automated Fingerprint Identification System (AFIS) has assisted in the identification of the auto thieves. Prior to this system being implemented, auto theft investigators would dust a recovered vehicle for prints, but if the prints were not manually matched with a known local suspect, they were not able to follow up on the lead. With AFIS, auto theft investigators can access a statewide computer database of fingerprints and have a better chance of identifying a suspect.

INSURANCE DIVISION

IMPACT ON INSURANCE PREMIUM COSTS

One of the primary reasons for the creation of the Michigan Automobile Theft Prevention Authority was that high auto thefts were driving the cost of auto insurance higher. Premiums for comprehensive coverage, which is the portion of an auto insurance policy which pays for the theft of a motor vehicle, were climbing steadily and the increase was largely related to the high rate of motor vehicle thefts. From 1986 to 1998, premiums charged by auto insurers for comprehensive coverage have, in general, reflected the decrease in motor vehicle theft rates. However, rating factors for comprehensive coverage on newer or more expensive vehicles will generally result in higher premiums even if overall comprehensive rates are lowered.

In order to generate the rate data provided in Table 12, we used actual costs for comprehensive coverage in the 16 rating areas for eight of the top insurers in 1998 and 2000. By compiling the 16 areas and dividing by 16, we arrived at the average cost of comprehensive coverage. This methodology indicates that three insurers have raised premiums substantially, two insurers have raised premiums moderately, and three insurers have lowered premiums moderately on their comprehensive coverage.

One of the reasons the average comprehensive premium has changed is that the rating in 1998, example 2, was based on a 1995 Chevrolet Blazer and a 1994 Ford Taurus, and the 2000, example 2, was based on a 1997 Chevrolet Blazer and a 1996 Ford Taurus

TABLE 12			
Average Comprehensive Premiums Composite Average For All 16 Rating Areas			
Company	1998	2000	% Change
Allstate	\$817	\$1,009	23.5
Auto Club	592	605	2.2
Auto Owners	387	357	-7.8
Citizens	477	459	-3.8
Farm Bureau	681	721	5.9
Farmers Insurance Exchange	755	931	23.3
Secura	605	595	-1.7
State Farm	552	645	16.8

When looking at comprehensive insurance rates in relation to auto theft, one should keep in mind that the portion of premium attributable to theft varies from company to company. This variation stems from an insurer's actual experience which, at least in part, results from the areas of the state in which a majority of its policyholders are located. For example, those companies with a large number of policyholders in northern Michigan would experience fewer total auto theft losses and more losses resulting from car/deer accidents than those with more policyholders in urban areas.

Five of the seven insurers listed in Table 13 report that from 1997 to 1998, auto theft claims fell as a percentage of total comprehensive claims. Six insurers indicate that the dollars paid on auto theft claims represent a smaller percentage of total dollars paid on comprehensive claims. That may be further proof that general claims are causing the increases in comprehensive premiums.

<p style="text-align: center;">TABLE 13</p> <p style="text-align: center;">Company Ratios of Auto Theft Claims in Michigan to Total Comprehensive Claims</p>					
COMPANY	THEFT CLAIM RATIO	THEFT \$ PAID RATIO	COMPANY	THEFT CLAIM RATIO	THEFT \$ PAID RATIO
Allstate			Farmers Ins.		
1989	7.3%	47.4%	1989	5.2%	29.9%
1991	5.9%	37.8%	1991	4.7%	15.0%
1993	5.1%	36.4%	1993	4.9%	31.5%
1995	3.9%	31.0%	1995	7.7%	32.5%
1997	4.0%	28.9%	1997	6.1%	27.0%
1998	3.6%	27.2%	1998	6.5%	28.7%
Auto Club			Secura		
1989	9.7%	55.9%	1989	14.5%	36.9%
1991	7.8%	47.3%	1991	9.2%	33.6%
1993	7.0%	46.8%	1993	7.7%	35.5%
1995	13.6%	49.3%	1995	10.8%	25.1%
1997	11.0%	46.1%	1997	6.6%	16.6%
1998	9.0%	38.6%	1998	5.0%	11.0%
Auto Owners			State Farm		
1989	3.2%	23.0%	1989	2.2%	21.7%
1991	2.5%	16.3%	1991	1.9%	17.6%
1993	2.4%	18.3%	1993	2.2%	21.2%
1995	2.0%	14.5%	1995	2.5%	23.7%
1997	1.9%	13.9%	1997	2.5%	23.2%
1998	1.7%	11.7%	1998	2.1%	19.0%
Citizens					
1989	4.2%	28.2%			
1991	4.9%	23.4%			
1993	4.6%	24.6%			
1995	0.1%	0.2%			
1997	0.1%	0.3%			
1998	0.4%	1.3%			

Source: Company Data, 1989-1998

Table 14 provides part of the story by indicating how Michigan ranks nationally on average cost of comprehensive premium. Michigan has dropped from fifth place in 1987 to 20th place in 1991 and then rose to 13th place in 1998 (latest data available).

The average comprehensive premium Michigan motorists paid has increased from \$121.55 in 1987 to \$157.60 in 1998. The overall net increase of \$36.05 (30%) should be framed in the context that in the same time period, the average cost of an automobile has nearly doubled.

Perhaps the best way to evaluate the data provided by Table 14 is to consider what would have happened if Michigan had remained in fifth place. Under that scenario, Michigan motorists would have paid \$26.10 (see New Jersey in 1998 column) more in comprehensive premiums than they do now. These real dollar savings can be directly attributed to the reduction of automobile theft claims experienced by Michigan insurers. Since the annual cost of the Automobile Theft Prevention Authority to the policyholders is only \$1, the \$26 return is excellent.

TABLE 14							
States With Highest Average Comprehensive Premium							
STATE	AVERAGE COMP. PREMIUM				% CHANGE 1993 - 1995	% CHANGE 1995 - 1997	% CHANGE 1997 - 1998
	1993	1995	1997	1998			
1. Dist. of Col.	\$163.52	\$188.38	\$206.45	222.85	15.2%	9.6%	7.9%
2. New York	177.34	190.54	194.73	188.14	7.4%	2.2%	-3.4%
3. Colorado	159.64	166.73	178.58	187.56	4.4%	7.1%	5.0%
4. Wyoming	143.78	160.13	178.45	186.44	11.4%	11.4%	4.5%
5. New Jersey	133.09	155.53	177.44	183.70	16.9%	14.1%	3.5%
6. Kansas	129.40	151.47	170.25	179.63	17.1%	12.4%	5.5%
7. South Dakota	135.00	150.90	161.47	170.12	11.8%	7.0%	5.4%
8. North Dakota	120.70	131.93	152.76	164.66	9.3%	15.8%	7.8%
9. Montana	133.54	147.22	160.71	164.20	10.2%	9.2%	2.2%
10. Nebraska	123.90	140.53	157.11	163.36	13.4%	11.8%	4.0%
11. New Mexico	131.20	147.13	158.49	160.54	12.1%	7.7%	1.3%
12. Arizona	117.90	135.28	156.96	160.18	14.7%	16.0%	2.1%
13. Michigan	120.95	132.49	146.09	157.60	9.5%	10.3%	7.9%
14. Louisiana	123.83	132.99	148.29	156.69	7.4%	11.5%	5.7%
15. Mississippi	114.95	122.51	143.73	154.45	6.6%	17.3%	7.5%
16. Oklahoma	149.99	151.88	156.71	153.54	1.3%	3.2%	-2.0%
17. Texas	156.46	148.91	137.13	148.33	-4.8%	-7.9%	8.2%
18. Georgia	105.06	122.37	134.04	140.08	16.5%	9.5%	4.5%
19. Alaska	119.44	125.24	131.41	135.25	4.9%	4.9%	2.9%
20. West Virginia	103.68	111.69	124.59	132.25	7.7%	11.5%	6.1%
SELECTED OTHER HIGH THEFT STATES							
Minnesota	113.00	113.35	125.46	129.01	0.3%	10.7%	2.8%
California	131.76	159.80	122.09	120.90	21.3%	-23.6%	-1.0%
Maryland	86.44	102.88	113.03	117.06	19.0%	9.9%	3.6%
Pennsylvania	89.90	93.79	109.79	112.72	4.3%	17.1%	2.7%
Florida	83.55	100.41	110.78	111.37	20.1%	10.3%	0.9%
Illinois	113.86	110.24	114.33	109.39	-3.2%	3.7%	-4.3%
Indiana	91.46	90.02	97.32	97.44	-1.6%	8.1%	0.1%
National Average	\$111.91	\$116.91	\$122.34	\$125.74	+4.5%	+4.6%	+2.8%

Source: National Association of Insurance Commissioners—April 2000

The National Association of Insurance Commissioners (NAIC) “makes the point that extreme caution must be exercised in interpreting average expenditure and premium measures” . . . Since . . . “They are imperfect measures of the relative ‘price’ of insurance across states because . . . they are affected by a number of other factors.”

The NAIC report indicates that average premiums for automobile insurance are affected by a number of factors:

- Average coverage purchased	- Medical costs
- Average deductible selected	- Law enforcement and tort liability laws
- Average value of vehicle insured	- Average accident rates and vehicle repair costs
- Average driver characteristics	- Motor vehicle theft rate
- Traffic conditions and road maintenance	- Rate regulatory approaches
- Proportion of drivers in urban areas	- Financial responsibility requirements
- Cost of living and wage levels	

They go on to indicate that “the auto insurance product is not homogenous across states. Therefore, caution should be exercised when making direct comparisons between states. Because of the many different factors that affect average premiums, these measures do not indicate the relative efficiency of the auto insurance markets in various states.”

Any time a factor of averages is used for comparison, it is best to recall how an average comprehensive premium is compiled. All insurers--regardless of their market share--are added together and the sum is divided by the number of insurers. That process places insurers who really are not competitively priced and who only hold a small fraction of the market on an equal footing with companies who are lower priced and are increasing their already substantial market share. While the National Association of Insurance Commissioners data would be better if they could weigh premium costs based upon an insurer’s market share, all the states were treated consistently.

MICHIGAN INSURANCE DIVISION'S BUYERS GUIDE

To enable consumers to easily shop for automobile insurance, the Insurance Division conducts an annual survey of premiums charged by all Michigan insurers in four very specific examples (age, marital status, miles driven daily/yearly, driving records, and type of automobile). That data is published in the Buyers Guide to Auto Insurance in Michigan, which can be obtained free of charge from the Insurance Division. The Buyers Guide compares total premiums charged in 16 different areas of the state so consumers can easily identify those companies in their area which are the least expensive. For this report, the premiums used are all from example two of the 2000 survey. (See Appendix IV.)

Since this report's focus is only on comprehensive premiums that pay for stolen vehicles, the Insurance Division provided that additional data from nine large insurers for each of the sixteen rating areas within the state. (See Appendix V.)

Table 15 shows the average annual total insurance premium, average annual comprehensive premium and the average percentage of the total premium that the comprehensive coverage represents for various state locations. The table gives these figures for nine of the major insurers detailed in the Buyers Guide.

<p style="text-align: center;">TABLE 15</p> <p style="text-align: center;">Comprehensive Coverage as a Percentage of Average Total Premiums for Various Michigan Locations</p>						
AREA	AVERAGE TOTAL PREMIUM		AVERAGE COMP. PREMIUM		% COMP. PREMIUM	
	1998	2000	1998	2000	1998	2000
Statewide	\$2,671	\$2,919	\$598	\$655	22.4	22.4
Southwest Detroit	4,082	4,616	1,005	1,152	24.6	25.0
Northwest Detroit	3,482	3,973	839	984	24.1	24.8
North Central Detroit	3,856	4,387	956	1,092	24.8	24.9
South Central Detroit	4,073	4,744	995	1,169	24.4	24.6
Northeast Detroit	3,582	4,076	903	1,036	25.2	25.4
Pontiac	2,717	2,980	559	574	20.6	19.3
Macomb County	2,530	2,648	576	587	22.8	22.2
Wyandotte	2,325	2,407	512	518	22.0	21.5
Ypsilanti	2,136	2,256	429	451	20.1	20.0
Lansing	1,893	2,024	358	386	18.9	19.1
Kalamazoo	1,751	1,788	348	357	19.8	20.0
Traverse City	1,666	1,772	349	375	20.9	21.2
Marquette	1,769	1,828	398	416	22.5	22.8
Saginaw	2,208	2,415	429	482	19.4	20.0
Flint	2,804	2,804	566	545	20.2	19.4
Grand Rapids	1,859	1,981	348	356	18.7	18.0

Source: Michigan Insurance Division– 1998 & 2000 Buyer's Guide To Auto Insurance In Michigan - Example 2

The average comprehensive and total premiums listed in Table 15 represent a wide diversity of rates and marketing strategies. Further, insurer visibility, or lack of visibility, in urban areas affects their loss experience and, consequently, their rates. Still, it is interesting to note that the average comprehensive premium in southwest Detroit is 74% higher than the statewide average comprehensive premium for all insurers and 324% greater than the average comprehensive for Grand Rapids. Clearly, high vehicle theft rates in Detroit have significantly impacted the cost of comprehensive insurance coverage there.

STATEWIDE PREMIUMS

The Insurance Division's 2000 Buyers Guide survey provides data from 72 insurance companies (example 2), and Table 16 lists the most expensive and least expensive company in each of the 16 rating areas. In all rating areas, it is possible to save between \$3,900 to \$7,200 annually on automobile insurance if the least expensive policy is purchased instead of the most expensive.

Table 16 shows that the cost of the auto insurance coverage varies considerably depending upon the area of residence and the insurance carrier selected.

TABLE 16				
Highest and Lowest Cost Premiums by Rating Area				
LOCATION	TOTAL PREMIUM			
	High		Low	
	1998	2000	1998	2000
Southwest Detroit	7,400	9,354	2,133	2,089
Northwest Detroit	7,049	7,512	1,574	1,914
North Central Detroit	7,690	8,472	1,763	2,005
South Central Detroit	7,690	7,468	2,161	2,089
Northeast Detroit	7,400	8,362	1,574	1,797
Pontiac	5,563	5,267	1,416	1,369
Macomb Co. - Warren	6,036	5,262	1,416	1,330
Wyandotte	7,049	5,608	1,278	1,158
Ypsilanti	5,161	4,408	1,104	1,219
Lansing	5,346	4,704	1,119	1,136
Kalamazoo	5,608	4,564	1,013	952
Traverse City	5,675	4,734	1,006	1,057
Marquette	5,675	4,734	1,061	1,002
Saginaw	5,503	4,574	1,278	1,248
Flint	5,593	4,574	1,304	1,373
Grand Rapids	5,392	4,564	1,006	1,047

Source: Michigan Insurance Division 1998 and 2000 Buyer's Guide to Auto Insurance in Michigan - Example 2

APPENDICES

APPENDIX I

Ten States With Highest Number of Motor Vehicle Thefts 1986-1999

1986			1987			1989		
State	Rank	MVT	State	Rank	MVT	State	Rank	MVT
California	1	205,597	California	1	229,624	California	1	298,445
Texas	2	119,121	New York	2	125,329	New York	2	171,007
New York	3	113,247	Texas	3	123,367	Texas	3	150,971
Illinois	4	72,587	Florida	4	81,355	Florida	4	102,086
MICHIGAN (UCR)	5	72,021	MICHIGAN (UCR)	5	68,415	New Jersey	5	71,106
Florida	6	69,824	New Jersey	6	64,857	Illinois	6	70,806
New Jersey	7	59,096	Illinois	7	62,487	MICHIGAN (UCR)	7	65,220
Massachusetts	8	52,866	Massachusetts	8	54,110	Pennsylvania	8	56,517
Pennsylvania	9	42,130	Pennsylvania	9	41,680	Massachusetts	9	53,851
Ohio	10	40,396	Ohio	10	41,291	Ohio	10	47,477
1991			1993			1995		
State	Rank	MVT	State	Rank	MVT	State	Rank	MVT
California	1	315,615	California	1	319,295	California	1	280,479
New York	2	181,287	New York	2	151,949	Florida	2	111,320
Texas	3	163,830	Texas	3	124,837	Texas	3	104,923
Florida	4	104,035	Florida	4	122,516	New York	4	102,596
Illinois	5	75,642	Illinois	5	65,351	Illinois	5	61,874
New Jersey	6	71,847	MICHIGAN (UCR)	6	56,669	MICHIGAN (UCR)	6	57,895
MICHIGAN (UCR)	7	62,626	New Jersey	7	56,253	New Jersey	7	50,184
Pennsylvania	8	57,598	Pennsylvania	8	53,033	Pennsylvania	8	49,817
Massachusetts	9	55,083	Massachusetts	9	49,063	Arizona	9	48,830
Ohio	10	54,744	Ohio	10	48,276	Ohio	10	46,261
1997			1999			2001		
State	Rank	MVT	State	Rank	MVT	State	Rank	MVT
California	1	228,722	California	1	168,480			
Florida	2	107,195	Florida	2	93,191			
Texas	3	101,721	Texas	3	92,037			
New York	4	79,697	New York	4	58,261			
MICHIGAN (UCR)	5	59,826	MICHIGAN (UCR)	5	54,018			
Illinois	6	55,426	Illinois	6	52,114			
Ohio	7	45,419	Georgia	7	40,120			
Georgia	8	44,572	Pennsylvania	8	39,234			
Pennsylvania	9	44,213	Ohio	9	39,192			
Arizona	10	44,201	Arizona	10	38,247			

Source: FBI and Michigan Uniform Crime Reports 1986 - 1999

APPENDIX II

Twelve States With Highest Vehicle Theft Rates Per 100,000 Population 1984-1999

1984			1991			1993		
State	Rank	Rate	State	Rank	Rate	State	Rank	Rate
MICHIGAN (UCR)	1	865.9	California	1	1038.9	California	1	1023.0
Massachusetts	2	840.0	New York	2	1003.9	Florida	2	895.7
Rhode Island	3	691.9	Texas	3	944.3	Arizona	3	863.8
New York	4	650.6	New Jersey	4	925.9	New York	4	835.0
California	5	629.6	Massachusetts	5	918.7	Massachusetts	5	816.1
Alaska	6	628.8	Arizona	6	861.1	Nevada	6	738.3
Illinois	7	585.6	Connecticut	7	795.7	New Jersey	7	714.0
New Jersey	8	574.6	Rhode Island	8	794.1	Texas	8	692.3
Texas	9	549.1	Florida	9	783.6	Maryland	9	683.4
Nevada	10	495.5	Maryland	10	730.8	Rhode Island	10	646.3
Oklahoma	11	457.7	MICHIGAN (UCR)	11	668.6	Louisiana	11	613.7
Florida	12	426.7	Illinois	12	655.3	MICHIGAN (UCR)	12	597.9
NATIONAL		437.1	NATIONAL		659.0	NATIONAL		605.3
1995			1997			1999		
State	Rank	Rate	State	Rank	Rate	State	Rank	Rate
Dist. of Columbia	1	1,839.9	Dist. of Columbia	1	1,430.8	Dist. of Columbia	1	1,281.7
Arizona	2	1,157.7	Arizona	2	970.4	Arizona	2	800.5
California	3	887.9	Nevada	3	788.3	Nevada	3	723.8
Florida	4	785.8	Florida	4	731.5	Florida	4	616.7
Nevada	5	745.4	New Mexico	5	717.2	Washington	5	587.3
Maryland	6	717.6	California	6	708.8	MICHIGAN (UCR)	6	547.6
Oregon	7	702.0	Tennessee	7	628.6	Georgia	7	515.2
Hawaii	8	690.7	MICHIGAN (UCR)	8	612.1	California	8	508.3
Tennessee	9	648.5	Louisiana	9	606.0	Louisiana	9	496.2
New Jersey	10	631.6	Maryland	10	602.0	Maryland	10	492.0
Georgia	11	608.4	Georgia	11	595.4	Mississippi	11	488.7
MICHIGAN (UCR)	12	606.3	Oregon	12	594.5	New Mexico	12	467.0
NATIONAL		560.5	NATIONAL		505.8	NATIONAL		420.7
Michigan 1984-1991: - 22.8%			1991-1993: - 10.6%			1993-1995: + 1.4%		
National 1984-1991: + 50.8%			1991-1993: - 8.2%			1993-1995: - 7.4%		
						1995-1997: + 1.0%		
						1995-1997: - 9.8%		
						1997-1999: - 10.5%		
						1997-1999: - 16.8%		

Source: FBI and Michigan Uniform Crime Reports 1984-1999

APPENDIX III

Total Comprehensive and Vehicle Theft Claims Experience for Six Major Companies 1989-1998

Year	Comp. Claims	Theft Claims	Ratio	Total Comp. Claims Paid \$1,000	Total Theft Claims Paid \$1,000	Ratio	Average Theft Claim \$ Paid
Allstate Insurance Company							
1989	40,937	2,979	7.3%	24,170	11,448	47.4%	3,843
1991	53,923	3,194	5.9%	33,445	12,638	37.8%	3,956
1993	48,225	2,436	5.1%	30,170	10,967	36.4%	4,502
1995	65,405	2,570	3.9%	46,483	14,417	31.0%	5,810
1997	82,146	3,285	4.0%	67,476	19,469	28.9%	5,927
1998	77,905	2,788	3.6%	63,853	17,344	27.2%	6,221
Auto Club Insurance Association							
1989	110,515	10,757	9.7%	85,067	47,538	55.9%	4,419
1991	124,199	9,707	7.8%	97,237	45,958	47.3%	4,735
1993	94,916	6,300	7.0%	70,889	32,260	46.8%	5,113
1995	106,568	14,471	13.6%	89,831	44,322	49.3%	3,063
1997	117,208	12,909	11.0%	107,811	49,691	46.1%	3,849
1998	110,782	10,004	9.0%	98,903	38,167	38.6%	3,815
Auto-Owners Insurance Company							
1989	30,894	973	3.1%	14,501	3,350	23.1%	3,443
1991	27,953	711	2.5%	14,115	2,299	16.3%	3,233
1993	27,853	667	2.4%	14,524	2,656	18.3%	3,982
1995	27,999	572	2.0%	15,304	2,224	14.5%	3,888
1997	36,027	688	1.9%	23,099	3,206	13.9%	4,661
1998	40,196	681	1.7%	30,815	3,617	11.7%	5,311
Citizens Insurance Company							
1989	46,473	1,965	4.2%	21,880	5,799	26.5%	2,951
1991	49,904	2,431	4.9%	26,465	6,183	23.4%	2,543
1993	53,357	2,458	4.6%	28,707	7,056	24.6%	2,871
1995	62,654	52	0.1%	41,599	102	0.2%	1,967
1997	67,674	82	0.1%	49,934	155	0.3%	1,886
1998	65,664	245	0.4%	50,330	669	1.3%	2,729
Farmers Insurance Exchange							
1989	8,891	460	5.2%	5,335	1,597	29.9%	3,472
1991	6,681	314	4.7%	9,827	1,474	15.0%	4,694
1993	16,781	817	4.9%	10,478	3,297	31.5%	4,036
1995	25,178	1,930	7.7%	20,585	6,685	32.5%	3,464
1997	28,587	1,753	6.1%	28,288	7,638	27.0%	4,357
1998	28,613	1,861	6.5%	27,174	7,796	28.7%	4,189
State Farm Mutual Insurance Company							
1989	106,703	2,308	2.2%	55,358	11,995	21.7%	5,197
1991	129,634	2,450	1.9%	74,482	13,113	17.6%	5,352
1993	119,090	2,622	2.2%	69,732	14,788	21.2%	5,640
1995	135,081	3,394	2.5%	99,822	23,667	23.7%	6,973
1997	134,162	3,332	2.5%	109,924	25,467	23.2%	7,643
1998	129,836	2,701	2.1%	106,583	20,255	19.0%	7,499

Source: Michigan Insurance Division, Company Data

APPENDIX IV

Household and Territories Used for Comprehensive Insurance Premium Comparison

A 2000 Household

Married couple, age 35
Both principal drivers
No tickets/no accidents
Household Income: \$65,000 per year
Two children

Wife: One mile commute, one-way to work, 3,000 miles/year
Husband: Twelve mile commute, one-way to work, 12,000 miles/year

CARS

1997 Chevrolet Blazer 4 x 4, 4-dr, Wife
1996 Ford Taurus LX Sedan, 4-dr, Husband

COVERAGES

No-Fault: BI/PD 100/300/100 limits or 300 Combined Single Limit
PPI \$1,000,000
PIP medical and work loss excess
Uninsured
Motorist: 20/40 limits
Comprehensive: \$100 deductible
Collision: Broad Form, \$250 deductible

Rating Territories

Location	Zip Code	Location	Zip Code
Southwest Detroit	48210	Ypsilanti	48197
Northwest Detroit	48219	Lansing	48915
North Central Detroit	48234	Kalamazoo	49008
South Central Detroit	48207	Traverse City	49684
Northeast Detroit	48205	Marquette	49855
Pontiac	48342	Saginaw	48601
Macomb - Warren	48093	Flint	48506
Wyandotte	48192	Grand Rapids	49505

Source: Michigan Insurance Division

APPENDIX Va

Comprehensive Insurance Coverage as Percentage of Total Premium (16 Rating Areas)

	SW Detroit	NW Detroit	NC Detroit	SC Detroit	NE Detroit	Pontiac	Macomb Warren	Wyandotte
Allstate Ins. Co.								
Total Premium	5990	4916	5734	6370	5058	3738	3358	3174
Total Comp	1932	1615	1988	2036	1812	834	820	812
Comp % of Total	32.3%	32.9%	34.7%	32.0%	35.8%	22.3%	24.4%	25.6%
Auto Club Ins. Assn.								
Total Premium	5081	3038	3966	5081	2837	3125	2343	2179
Total Comp	1244	754	912	1244	754	595	436	436
Comp % of Total	24.5%	24.8%	23.0%	24.5%	26.6%	19.0%	18.6%	20.0%
Auto-Owners								
Total Premium	3474	2522	3044	3474	2522	2416	2352	1790
Total Comp	548	399	479	548	399	383	372	283
Comp % of Total	15.8%	15.8%	15.7%	15.8%	15.8%	15.9%	15.8%	15.8%
Citizens Insurance								
Total Premium	4116	3966	4582	4582	4116	2306	1842	1708
Total Comp	734	706	818	818	734	410	328	302
Comp % of Total	17.8%	17.8%	17.9%	17.9%	17.8%	17.8%	17.8%	17.7%
Farm Bureau Mutual								
Total Premium	4260	4260	4260	4260	4260	2621	2529	2533
Total Comp	1441	1441	1441	1441	1441	512	691	521
Comp % of Total	33.8%	33.8%	33.8%	33.8%	33.8%	19.5%	27.3%	20.6%
Farmers Ins. Exchange								
Total Premium	5816	5361	5434	5816	5434	4601	4854	3200
Total Comp	1426	1230	1278	1426	1278	921	1231	707
Comp % of Total	24.5%	22.9%	23.5%	24.5%	23.5%	20.0%	25.4%	22.1%
Prudential Prop. & Cas.								
Total Premium	3248	2956	3248	3240	3248	2032	2190	2190
Total Comp	760	682	760	578	760	370	552	552
Comp % of Total	23.4%	23.1%	23.4%	17.8%	23.4%	18.2%	25.2%	25.2%
Secura Ins. (A Mutual Co.)								
Total Premium	4507	4507	4507	4507	4507	2963	2307	2963
Total Comp	967	967	967	967	967	651	504	651
Comp % of Total	21.5%	21.5%	21.5%	21.5%	21.5%	22.0%	21.8%	22.0%
State Farm Mutual Auto								
Total Premium	5050	4229	4706	5368	4706	3019	2053	1924
Total Comp	1317	1066	1182	1461	1182	494	349	399
Comp % of Total	26.1%	25.2%	25.1%	27.2%	25.1%	16.4%	17.0%	20.7%

Source: 2000 Michigan Insurance Division Survey Data - Example 2

APPENDIX Vb

Comprehensive Insurance Coverage as Percentage of Total Premium (16 Rating Areas)

	Ypsilanti	Lansing	Kazoo	Traverse City	Marquette	Saginaw	Flint	Grand Rapids
Allstate Ins. Co.								
Total Premium	3256	2798	2574	2698	2734	2992	3400	3058
Total Comp	764	634	634	720	820	780	756	634
Comp % of Total	23.5%	22.7%	24.6%	26.7%	30.0%	26.1%	22.2%	20.7%
Auto Club Ins. Assn.								
Total Premium	2564	2025	1587	1551	1558	2879	3495	1758
Total Comp	516	378	305	312	319	541	624	312
Comp % of Total	20.1%	18.7%	19.2%	20.1%	20.5%	18.8%	17.9%	17.7%
Auto-Owners								
Total Premium	1957	1669	1578	1470	1563	2003	2800	1693
Total Comp	308	262	250	232	246	315	444	237
Comp % of Total	15.7%	15.7%	15.8%	15.8%	15.7%	15.7%	15.9%	14.0%
Citizens Insurance								
Total Premium	2028	1680	1272	1416	1546	2116	2656	1338
Total Comp	360	300	224	250	274	374	472	238
Comp % of Total	17.8%	17.9%	17.6%	17.7%	17.7%	17.7%	17.8%	17.8%
Farm Bureau Mutual								
Total Premium	1939	1527	1495	1241	1496	2059	2542	1769
Total Comp	421	207	262	193	376	331	535	285
Comp % of Total	21.7%	13.6%	17.5%	15.6%	25.1%	16.1%	21.0%	16.1%
Farmers Ins. Exchange								
Total Premium	2851	3098	2848	2816	2475	3251	3346	2956
Total Comp	581	715	651	726	675	738	701	628
Comp % of Total	20.4%	23.1%	22.9%	25.8%	27.3%	22.7%	21.0%	21.2%
Prudential Prop. & Cas.								
Total Premium	1788	1676	1486	1466	1528	1880	1962	1564
Total Comp	370	340	290	290	314	394	420	290
Comp % of Total	20.7%	20.3%	19.5%	19.8%	20.5%	21.0%	21.4%	18.5%
Secura Ins. (A Mutual Co.)								
Total Premium	1727	1708	1753	1623	1883	2090	2033	1617
Total Comp	360	345	349	343	381	402	396	300
Comp % of Total	20.8%	20.2%	19.9%	21.1%	20.2%	19.2%	19.5%	18.6%
State Farm Mutual Auto								
Total Premium	2195	2034	1500	1665	1666	2462	3004	2074
Total Comp	375	292	244	310	343	465	554	279
Comp % of Total	17.1%	14.4%	16.3%	18.6%	20.6%	18.9%	18.4%	13.5%

Source: 2000 Michigan Insurance Division Survey Data - Example 2

APPENDIX VI

Michigan Automobile Theft Prevention Authority 2001 Total Approved Budgets

GENESEE COUNTY	
Genesee County Prosecutor's Office	\$90,429
Genesee County Sheriff's Department	542,785
KENT COUNTY	
Garfield Park Neighborhood Association	14,250
Grand Rapids, Kentwood, and Wyoming Police Departments	279,795
West Grand Neighborhoods	18,296
MACOMB COUNTY	
Macomb County Prosecutor's Office	104,895
Macomb County Sheriff's Department	717,709
OAKLAND COUNTY	
Oakland County Prosecutor's Office	218,985
Oakland County Sheriff's Department	597,492
Southfield Police Department	197,723
SAGINAW COUNTY	
Saginaw County Prosecutor's Office	25,600
Saginaw Police Department	168,772
WAYNE COUNTY	
Wayne County Prosecutor's Office	354,138
Western Wayne Auto Theft Team	810,488
Detroit Police Department	1,864,595
Hamtramck Police Department	129,621
Michigan State Police, Downriver Team	587,147
Neighborhood Service Organization	41,147
Eastside Industrial Council	9,980
OTHER	
Lansing Police Department	98,868
Michigan State Police, Monroe Auto Theft Team	104,382
Michigan State Police, Southwestern Michigan Team	429,826
Michigan State Police, Washtenaw Team	184,135
TOTAL	\$7,591,058

Source: Michigan Automobile Theft Prevention Authority

APPENDIX VIIa

STANDARDS FOR AUTOMOBILE THEFT PREVENTION AND RECOVERY DEVICES Approved By The Michigan Automobile Theft Prevention Authority, June 22, 1994

Effective January 1, 1995

The following automobile theft prevention and recovery devices have been approved by the Automobile Theft Prevention Authority (ATPA), in accordance with Act 143 P.A. of 1993. Any vehicles which are equipped with or contain these devices will qualify for a reduction in the automobile's comprehensive insurance premium. The amount of the specific reduction for each category will be determined by each insurance company, and insurers may choose to provide a greater discount to vehicles which have devices from two or more categories.

Two categories of effectiveness in preventing vehicle theft have been identified, as well as one category for systems which assist in the recovery of the vehicle if it is stolen. Proper use of the systems described in categories one and two will respectively provide an optimum level and a minimum level of theft deterrence. A vehicle properly equipped with a recovery device will enhance efforts to recover the vehicle.

1. **CATEGORY ONE - PASSIVE SYSTEMS PROVIDING OPTIMUM LEVEL OF SECURITY**

The systems in this category will provide the optimum level of deterrence. To qualify for this discount, the vehicle must be equipped with at least one passive device (device is activated automatically when the vehicle's ignition key is removed).

- A. A passive alarm system which has a back-up battery and meets or exceeds criteria established in Category Two.
- B. Passive disabling devices which prevent the vehicle's steering, fuel, transmission/transaxle, ignition or starting systems from operating, and devices which prevent the vehicle's braking system from releasing.
- C. A passive time delay ignition system which allows the vehicle to be started only after a preset delay or delayed ignition cut-off system which disables the vehicle at a preset engine speed.
- D. A passive vehicle entry/ignition key system.

2. **CATEGORY TWO - ACTIVE SYSTEMS PROVIDING A MINIMUM LEVEL OF SECURITY**

Any of the systems in this category will provide at least a minimum level of deterrence. To qualify for a discount, the vehicle must be equipped with at least one of these listed devices (which must be manually activated by the vehicle owner prior to leaving the vehicle). An insurer may chose to offer an increased discount if the vehicle has two or more of these devices.

- A. Alarm only devices--activated by a door, hood, or trunk being opened or by motion inside the vehicle--which sound an audible alarm that can be heard at a distance of at least 300 feet for a minimum of three minutes, or

APPENDIX VIIIb

STANDARDS FOR AUTOMOBILE THEFT PREVENTION AND RECOVERY DEVICES **Approved By The Michigan Automobile Theft Prevention Authority, June 22, 1994**

Effective January 1, 1995

- B. Manually activated disabling devices which prevent the vehicle's steering, fuel, transmission/transaxle, ignition or starting systems from operating, and devices which prevent the vehicle's braking system from releasing.
- C. Etching of 17 digit VIN on windshield, rear window glass, and both front door windows.

3. **CATEGORY THREE - SYSTEMS WHICH ASSIST IN VEHICLE RECOVERY**

The systems in this category enhance the effort to recover the vehicle after it is stolen.

- A. A device which, when activated, emits an electronic signal that can be tracked by either a law enforcement agency or by a private monitoring station which relays the information on the vehicle's location to law enforcement officers.

Source: Michigan Automobile Theft Prevention Authority